

State of California  
BOARD OF EQUALIZATION  
SALES AND USE TAX REGULATIONS

**Regulation 1504. MAILING LISTS AND SERVICES.**

*References:* Sections 6006, 6006.3, 6009, 6012, 6015, 6016, and 6379.8, Revenue and Taxation Code.

**(a) TRANSACTIONS IN MAILING LISTS.**

(1) **DEFINITION.** A "mailing list" as used herein means a written or printed list, series, set, group, aggregation, etc., of names and addresses of, and occasionally, other information concerning persons, such as potential customers or donors, which is intended for use in circulating material by mail. Such a list may be in the form of a manuscript list, directory, Cheshire tape, Dick tape, gummed labels, index cards, or other similar means of communication. Operative January 1, 1994, "mailing list" includes a magnetic tape or similar device used to produce written or printed names and addresses by electronic or mechanical means.

(2) **APPLICATION OF TAX GENERALLY.** Except as otherwise provided in (a)(3) below, tax applies to receipts from the transfer of title or possession, rental or granting of a license for use of mailing lists, to the same extent as to receipts from sales or rental of tangible personal property generally.

(3) **LIMITED USE.** Tax does not apply to charges for the transfer or use of mailing lists, where a contract restricts the transferee or user to use of the mailing list one time only. The charges in such cases are considered to be for information or addressing services.

(4) **MAGNETIC TAPES.** Where the names and addresses are recorded on magnetic tapes or similar devices used to produce written or printed names and addresses by electronic or mechanical means, charges for the transfer or use of the tape or similar device are subject to tax to the same extent as receipts from sales or rentals of tangible personal property generally regardless of any contractual restrictions on the frequency of use. Operative January 1, 1994, such magnetic tapes or similar devices are considered a mailing list and charges for their transfer and use under (a)(3) above are exempt from tax.

(5) **APPLICATION OF TAX TO MATERIALS USED.** Persons engaged in the business of selling, renting or licensing mailing lists are consumers of tangible personal property used in producing lists the transfer of which is not subject to tax, and tax applies to the sale to them of such property. Tangible personal property which becomes a component part of lists, the transfer of which is taxable may be purchased for resale.

**(b) MAILING SERVICES.**

(1) **GENERAL.** Tax does not apply to charges for services rendered in preparing materials for mailing, such as addressing, enclosing, sealing, collating, affixing labels, blocking out, tucking or claspings envelope flaps, metering, affixing stamps, edging seal or edging with stamp, addressing permit indicia, and sorting, tying and sacking in compliance with postal rules and regulations, nor to charges for the handling or wrapping of material left over after preparation of material for mailing, which is to be returned to the customer.

(2) **ADDRESSING DEFINED.** "Addressing" means the actual writing, typewriting, printing, imprinting or affixing of names and addresses or addresses only on property to be mailed. The mailing may be done by the person doing the addressing or by another person. The process may include the preparation of Cheshire tapes, Dick tapes, cards, gummed labels, etc., to be affixed to, or enclosed in, the property so as to serve as addresses for that property and not to be used for any other purpose such as reproduction or reference.

(3) **CONSUMERS OF MATERIALS.** Persons engaged in the business of providing mailing services are consumers of materials used in performing those services.

**(c) PRINTING RELATED TO MAILING.**

(1) **SALES OF PRINTED MATTER.** Tax applies to charges for printed matter furnished to a customer by a person engaged in the business of providing mailing services to the same extent as to charges for printed matter generally, even though the printed matter is to be mailed. If such matter is printed by another person, it may be purchased for resale by giving a resale certificate. If the mailing service has reimbursed its vendor for tax which the vendor is required to pay to the state or has paid use tax with respect to the purchase of such matter, a "tax-paid purchases resold" deduction will be allowed.

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(2) SEPARATE STATEMENT OF PRINTING CHARGES. Charges for printed matter should be separately stated on the invoice to the customer. If not separately stated, the amount subject to tax will be determined by the board based on information available to it.

*History:* Adopted April 22, 1966.

Amended and renumbered February 17, 1972, effective March 25, 1972.

Amended December 7, 1978, effective February 18, 1979. Revised subsection (c)(1) with regard to the allowance of a "tax-paid purchases resold" deduction; revised subsection (c)(2) to provide a procedure for when charges for printed matter are not separately stated on the invoice.

Amended February 8, 1995, effective July 12, 1995. Subparagraphs (a)(1) and (4) amended to provide that charges for the transfer or use of magnetic tapes or similar devices are exempt from tax where a contract restricts their use to one time only and to delete an obsolete effective date. Subparagraphs (a)(2) and (b)(1) amended to correct clerical errors.

*Regulations are issued by the State Board of Equalization to implement, interpret or make specific provisions of the California Sales and Use Tax Law and to aid in the administration and enforcement of that law. If you are in doubt about how the Sales and Use Tax Law applies to your specific activity or transaction, you should write the nearest State Board of Equalization office. Requests for advice regarding a specific activity or transaction should be in writing and should fully describe the facts and circumstances of the activity or transaction.*